

S.No.2

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
19-08-2026 After Court-II**

**Cont. A (IBC) 15/2023, IA (IBC) 643/2022 and IA (IBC) 1142/2025 in
IA (IBC) 643/2022 in CP (IB) No. 325/7/HDB/2020**
u/s. 7 of IBC

IN THE MATTER OF:

LIC Housing Finance Ltd

...Petitioner/s

Vs

M/s. Butta Infrastructure Pvt Ltd

...Respondent/s

C O R A M:-

SHRI. RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)
SHRI. SANJAY PURI, HON'BLE MEMBER (TECHNICAL)

O R D E R

Cont.A (IBC) 15/2023

Order pronounced. Recorded vide separate sheets.

In the result, this Cont.A (IBC) 15/2023 is disposed of.

IA (IBC) 643/2022

Present: Mr. Sachin Sharma, Learned Counsel for the Applicant.

Mr. Krishna Grandhi, Ld. Senior Counsel along with Ms. Sarvani Desi
Raju, Learned Counsel for the Respondent.

Mr. Gonugunta Murali, Liquidator.

In view of the stay granted by the Hon'ble NCLAT, matter is adjourned to
05.11.2026.

IA (IBC) 1142/2025 in IA (IBC) 643/2022

Present: Mr. Krishna Grandhi, Ld. Senior Counsel along with Ms. Sarvani Desi
Raju, Learned Counsel for the Applicant.

Mr. Sachin Sharma, Learned Counsel for the Respondent.

Mr. Gonugunta Murali, Liquidator.

For hearing, matter is adjourned to 05.11.2026.

Sd/-

MEMBER (T)

Sd/-

MEMBER (J)

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – I, HYDERABAD**

Contempt Application No. 15 of 2023

IN

I.A. No. 706 OF 2022

IN

In Company Petition (IB) No. 325/7/HDB/ 2020

Application Under Section 425 of the Companies Act, 2013 Read With Rule 11 of NCLT Rules, 2016 for Initiation of Contempt Proceedings for Willful Disobedience of Order dated 26.05.2023 Passed by this Hon'ble Tribunal

IN THE MATTER OF BUTTA INFRASTRUCTURE PRIVATE LIMITED

Between:

Mr. Gonugunta Murali

Liquidator

Butta Infrastructure Private Limited

Having its registered office at:

House No. 4/14, Butta House, KPHB Road,

Madhapur, Hyderabad, Telangana- 500081

.....Applicant

VERSUS

1. **Siva Neelakanta Butta**

Plot No-110, Road No-72, Prashansan Nagar,

Jubilee Hills, Hyderabad, Telangana- 500033

...Respondent No.1

2. **Butta Naga Raju**

Plot No-110, Road No-72,

Prashansan Nagar, Jubilee Hills,

Hyderabad, Telangana- 500033

...Respondent No.2

Date of Order:19.08.2026

CORAM:-

SH. RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)

SH. SANJAY PURI, HON'BLE MEMBER (TECHNICAL)

Counsels:

For the Applicant: Mr. Y. Suryanarayana, Advocate

For the Respondent: Mr. Krishna Grandhi, Ld. Senior Advocate, Mr. Avinash, Ms. N. Nityatha, Advocate

ORDER

1. This Contempt Application has been preferred by the Applicant/Liquidator under Section 425 of the Companies Act, 2013 read with Sections 10 and 12 of the Contempt of Courts Act, 1971, and Rule 11 of the National Company Law Tribunal Rules, 2016, alleging wilful and deliberate disobedience of the order dated 26.05.2023 passed by this Tribunal in IA No. 706 of 2022 in CP (IB) No. 325/7/HDB/2020.
2. This Tribunal, vide order dated 11.03.2024, after detailed consideration of the pleadings, material on record, and the conduct of the Respondents, has already recorded a finding that Respondent Nos. 1 and 2 are guilty of committing civil contempt by wilful disobedience of the order dated 26.05.2023. The said finding on contempt has attained finality. Pursuant thereto, this Tribunal afforded due opportunity to the contemnors to appear and address the Tribunal on the question of sentence.
3. Aggrieved by the aforesaid proceedings, the contemnors preferred an appeal before the Hon'ble National Company Law Appellate Tribunal (NCLAT), Chennai Bench. Upon consideration, the Hon'ble NCLAT directed the Appellants/contemnors to file their Reply before this Tribunal in IA No. 15/2023 in IA No. 706/2022 in

CP(IB)/325/7/HDB/2020 on or before 06.06.2024, and directed this Tribunal to take up the matter on 07.06.2024, consider the reply so filed, and thereafter pass appropriate orders under Section 12(4) of the Contempt of Courts Act, 1971, by way of a reasoned, speaking order. Liberty was also granted to both parties and their respective counsel to raise all factual pleas available to them, to be duly considered and recorded while passing the final order.

4. In compliance with the directions of the Hon'ble NCLAT, the contemnors filed their Reply Affidavit dated 04.06.2024. On perusal, it is seen that the contentions raised therein are substantially the same as those already dealt with and decided by this Tribunal vide order dated 11.03.2024. Notwithstanding that a limited question had been put to the contemnors, namely, to show cause why sentence under Section 12 of the Contempt of Courts Act, 1971, ought not to be awarded to them, the contemnors, in their Reply Affidavit, have merely reiterated grounds already considered and rejected, without addressing the specific question posed.
5. Having considered the contentions raised by the contemnors, this Tribunal finds no merit therein, for the following reasons:
 - (a) The plea of compliance "in letter and spirit" is a bare assertion, unsupported by any material demonstrating the specific steps taken towards compliance, and does not displace the prima facie finding of wilful disobedience already recorded vide order dated 11.03.2024.
 - (b) As regards the plea of impossibility of performance, while it is well settled that impossibility of performance founded on the maxim *impotentia excusat legem* is a recognised defence to a charge of contempt, such defence is available only where impossibility is established through cogent and specific evidence, and not by way of a bare averment. In the present case, the contemnors have

failed to place any independent material on record to substantiate the alleged non-existence of the Fixed Asset Register or the loan-related documents. This plea has, in any event, been raised for the first time at the stage of show cause against sentencing, notwithstanding that the direction to furnish the very same documents was issued vide order dated 26.05.2023, which has attained finality without challenge. A plea of impossibility raised at such a belated stage, after the underlying direction remained unquestioned for over a year, is properly viewed as an afterthought intended to avoid sentencing rather than a genuine impediment to compliance.

(c) The contention that mere statutory non-compliance does not amount to civil contempt, though correct as a general proposition of law, has no application to the facts of the present case, inasmuch as the obligation violated herein was not a bare statutory requirement but a specific and binding direction of this Tribunal, which has attained finality.

(d) For the reasons aforestated, the contentions raised by the contemnors do not answer the limited question put to them, namely, as to why sentence under Section 12 of the Contempt of Courts Act, 1971, ought not to be imposed upon them.

6. Having regard to the overall facts and circumstances of the case, and particularly the deliberate disobedience of the order passed by this Tribunal, this Tribunal, in order to uphold the majesty of law, hereby sentences Respondent No. 1, Mr. Siva Neelakanta Butta, and Respondent No. 2, Mr. Butta Naga Raju, to undergo simple imprisonment for a period of 1 month, and to pay a fine of Rs. 1500/-, for committing civil contempt of this Tribunal. In default of payment of fine, the said Respondents shall undergo simple imprisonment for a further period of 7 (seven) days each.

7. The warrant of the order be executed against Mr. Siva Neelakanta Butta and Mr. Butta Naga Raju through the concerned Superintendent of Police.
8. Registry is directed to send a copy of this order along with the copy of the warrants to the concerned Superintendent of Police, for taking necessary action.

The Contempt Application (IBC) No.15 of 2023 is disposed of accordingly.

Sd/-

SANJAY PURI
MEMBER (TECHNICAL)

Sd/-

RAJEEV BHARDWAJ
MEMBER (JUDICIAL)